

AMENDED IN ASSEMBLY MAY 26, 2005
AMENDED IN ASSEMBLY APRIL 11, 2005
AMENDED IN ASSEMBLY FEBRUARY 7, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 84

Introduced by Assembly Members Leslie and Laird

January 5, 2005

An act to ~~amend Section 5060 of~~ *add Section 5060.1 to*, and to add Article 8.6 (commencing with Section 5151) to Chapter 1 of Division 1 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 84, as amended, Leslie. Vehicles: special interest license plates.

Existing law requires the Department of Motor Vehicles to issue certain special interest license plates, including specific special environmental design license plates, in accordance with a specified procedure. ~~Existing law requires a sponsoring organization to be tax exempt.~~ Existing law requires, before special interest license plates may be issued, at least 7,500 applications for the special interest license plates to be received by the department.

~~This bill would refer to a sponsoring person instead of a sponsoring organization, and, for a person applying, on and after January 1, 2006, would eliminate the requirement that a sponsoring person qualify for tax-exempt status.~~ *prohibit the department from accepting an application for participation in a special interest license plate program and from issuing license plates for a new special interest license plate program.*

The bill would create a new specialized license plate program that would require the issuance of those *license* plates to have a design or contain a message that publicizes or promotes a state agency, as defined, or the official policy, mission, or work of a state agency. The bill would subject the issuance of those license plates to ~~other, existing~~ requirements, *similar to certain of the requirements in current law governing special interest license plates*, and limit the disposition of additional fees collected under this program, as specified. *The bill would allow a state agency to designate a public or nonprofit agency to undertake its functions and duties of qualifying a particular program for the specialized license plate program.*

This bill would, subject to the above requirements, require the department, in consultation with the Sierra Nevada Conservancy, to design and make available for issuance special environmental design license plates bearing a graphic design depicting a significant feature of the Sierra Nevada Region, as specified. The bill would require an applicant for these license plates to pay, in addition to regular fees for an original registration or renewal of registration, specified additional fees. The bill would require the department to deposit the additional fees, less the department's administrative costs and with one specified exception, in the Sierra Nevada Conservancy Account, which the bill would create in the California Environmental License Plate Fund. The bill would require, upon appropriation by the Legislature, the Controller to allocate the money in the account to the Sierra Nevada Conservancy for expenditure consistent with the conservancy's objectives. The bill would require the conservancy to annually report to the Legislature on its use and expenditure of the money in the account.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The Sierra Nevada Region is a globally significant area
- 4 that includes many national and state parks, the highest peaks in
- 5 the 48 contiguous states, and large, pristine areas that are open
- 6 for public use.

1 (b) The Sierra Nevada Region is an important part of the
2 state's economy, and provides substantial agricultural products,
3 timber resources, ranching, mining, tourism, and recreation.

4 (c) The Sierra Nevada Region provides 65 percent of the
5 state's developed water supply and nearly all of the water supply
6 for western Nevada. As California's principal watershed, the
7 region is the critical source of water for urban and rural parts of
8 northern and southern California.

9 (d) The Sierra Nevada Conservancy has been created to work
10 in cooperation with local governments, private businesses,
11 nonprofit organizations, and the public, as a lead agency in
12 funding investment in the natural and human resources of the
13 Sierra Nevada Region.

14 (e) Thus, the state honors the unique importance of the Sierra
15 Nevada Region by creating a Sierra Nevada ~~license plate~~
16 ~~consistent with the special interest license plate program as~~
17 ~~described in Section 5060 of the Vehicle Code.~~ *specialized*
18 *license plate as described in Section 5171 of the Vehicle Code.*

19 SEC. 2. The Legislature finds and declares all of the
20 following:

21 (a) The United States District Court for the Eastern District of
22 California in *The Women's Resource Network v. Steven Gourley*
23 (2004) 305 F. Supp. 2d 1145 permanently enjoined the Director
24 of the California Department of Motor Vehicles from issuing any
25 new special interest license plate to private, nonprofit
26 organizations under the current provisions of Section 5060 of the
27 California Vehicle Code, unless the state establishes "neutral
28 criteria to ensure that the plate licensing decision is not based on
29 the content or viewpoint of the speech being considered."

30 (b) The court did not enjoin the Director of the Department of
31 Motor Vehicles from issuing any special interest license plate
32 that is government speech that promotes California's state
33 policies.

34 (c) This bill intends to clarify the framework for ~~special~~
35 ~~interest~~ *specialized* license plates that contain only government
36 speech, leaving the issue of special interest license plates
37 designed for the benefit of private entities to other legislation.

38 (d) Revenue generated from special license plate programs
39 provides a positive way to supplement funding for important

1 governmental programs without any cost to the General Fund or
2 an increase in taxes.

3 *SEC. 3. Section 5060.1 is added to the Vehicle Code, to read:*
4 *5060.1. Notwithstanding Section 5060 or any other provision*
5 *of law to the contrary, on and after January 1, 2006, the*
6 *department shall not accept an application for participation in a*
7 *special interest license plate program under Section 5060 and*
8 *shall not issue, under Section 5060, special interest license plates*
9 *for a new program.*

10 ~~SEC. 3. Section 5060 of the Vehicle Code is amended to~~
11 ~~read:~~

12 ~~5060. (a) A person may apply to the department for~~
13 ~~participation in a special interest license plate program and the~~
14 ~~department shall issue special license plates for that program if~~
15 ~~the issuance of those plates is required by this article, the~~
16 ~~sponsoring person complies with the requirements of this section,~~
17 ~~and the person meets all of the following criteria:~~

18 ~~(1) For any organization applying prior to January 1, 2006,~~
19 ~~qualifies for tax-exempt status under Section 501(c)(3) of the~~
20 ~~Internal Revenue Code and Section 23701d of the Revenue and~~
21 ~~Taxation Code.~~

22 ~~(2) Submits a financial plan describing the purposes for which~~
23 ~~the revenues described in paragraph (2) of subdivision (c) will be~~
24 ~~used.~~

25 ~~(3) Submits a design of the person's proposed special interest~~
26 ~~license plate that, among other things, provides for the placement~~
27 ~~of the number and letter characters in a manner that allows for~~
28 ~~law enforcement to readily identify those characters.~~

29 ~~(4) For any person applying after January 1, 2006, submits a~~
30 ~~design of the person's proposed special interest license plate that~~
31 ~~meets the requirements of subdivision (a) of Section 5152.~~

32 ~~(b) Any person described in Section 5101 may apply for~~
33 ~~special interest license plates, in lieu of the regular license plates.~~

34 ~~(c) The design criteria for a special interest license plate are as~~
35 ~~follows:~~

36 ~~(1) The license plate for a passenger vehicle, commercial~~
37 ~~vehicle, or trailer shall provide a space not larger than 2 inches~~
38 ~~by 3 inches to the left of the numerical series and a space not~~
39 ~~larger than five-eighths of an inch in height below the numerical~~
40 ~~series for a distinctive design, decal, or descriptive message as~~

1 authorized by this article. The plates shall be issued in sequential
2 numerical order or, pursuant to Section 5103, in a combination of
3 numbers or letters.

4 (2) ~~Special interest license plates authorized under this article~~
5 ~~may be issued for use on a motorcycle. That license plate shall~~
6 ~~contain a five digit configuration issued in sequential numerical~~
7 ~~order or, pursuant to Section 5103, in a combination of numbers~~
8 ~~or letters. There shall be a space to the left of the numerical series~~
9 ~~for a distinctive design or decal and the characters shall contrast~~
10 ~~sharply with the uniform background color. No motorcycle plate~~
11 ~~containing a full plate graphic design is authorized. Those~~
12 ~~particular special interest license plates that were issued prior to~~
13 ~~the discontinuation provided by this paragraph may continue to~~
14 ~~be used and attached to the vehicle for which they were issued~~
15 ~~and may be renewed, retained, or transferred pursuant to this~~
16 ~~code.~~

17 (d) (1) ~~No person may be included in the program until not~~
18 ~~less than 7,500 applications for the particular special interest~~
19 ~~license plates are received. Each person shall collect and hold~~
20 ~~applications for the plates. Once the person has received at least~~
21 ~~7,500 applications, it shall submit the applications, along with the~~
22 ~~necessary fees, to the department. The department shall not issue~~
23 ~~any special interest license plate until a person has received and~~
24 ~~submitted to the department not less than 7,500 applications for~~
25 ~~that particular special interest license plate within the time period~~
26 ~~prescribed in this section. Advanced payment to the department~~
27 ~~by a person representing the department's estimated or actual~~
28 ~~administrative costs associated with the issuance of a particular~~
29 ~~special interest license plate shall not constitute compliance with~~
30 ~~this requirement. The person shall have 12 months, following the~~
31 ~~effective date of the enactment of the specific legislation~~
32 ~~enabling the person to participate in this program, to receive the~~
33 ~~required number of applications. If, after that 12 months, 7,500~~
34 ~~applications have not been received, the person shall immediately~~
35 ~~do either of the following:~~

36 (A) ~~Refund to all applicants any fees or deposits that have~~
37 ~~been collected.~~

38 (B) ~~Contact the department to indicate the person's intent to~~
39 ~~undertake collection of additional applications and fees or~~
40 ~~deposits for an additional period, not to exceed 12 months, in~~

1 order to obtain the minimum 7,500 applications. If a person
2 elects to exercise the option under this paragraph, it shall contact
3 each applicant who has submitted an application with the
4 appropriate fees or deposits to determine if the applicant wishes a
5 refund of fees or deposits or requests the continuance of the
6 holding of the application and fees or deposits until that time that
7 the person has received 7,500 applications. The person shall
8 refund the fees or deposits to any applicant so requesting. In no
9 event shall a person collect and hold applications for a period
10 exceeding 24 months following the date of authorization as
11 described in paragraph (2) of subdivision (a).

12 (C) Sequential plate fees shall be paid for the original
13 issuance, renewal, retention, replacement, or transfer of the
14 special interest license plate as determined by the person and
15 authorized by department's regulations. Those plates containing
16 a personalized message are subject to the fees required pursuant
17 to Sections 5106 and 5108 in addition to any fees required by the
18 special interest license plate program.

19 (2) (A) If the number of currently outstanding and valid
20 special interest license plates in any particular program provided
21 for in this article is less than 7,500, the department shall notify
22 the sponsoring person of that fact and shall inform the person that
23 if that number is less than 7,500 one year from the date of that
24 notification, the department will no longer issue or replace those
25 special interest license plates.

26 (B) Those particular special interest license plates that were
27 issued prior to the discontinuation provided by subparagraph (A)
28 may continue to be used and attached to the vehicle for which
29 they were issued and may be renewed, retained, or transferred
30 pursuant to this code.

31 (e) (1) The department shall deduct its costs to develop and
32 administer the special interest license plate program from the
33 revenues collected for the plates.

34 (2) The department shall deposit the remaining revenues from
35 the original issuance, renewal, retention, replacement, or transfer
36 of the special interest license plate in a fund which shall be
37 established by the Controller.

38 (f) When payment of renewal fees is not required as specified
39 in Section 4000, or when a person determines to retain the
40 special interest license plate upon a sale, trade, or other release of

1 the vehicle upon which the plate has been displayed, the person
2 shall notify the department and the person may retain and use the
3 plate as authorized by department regulations.

4 (g) A person that is eligible to participate in a special interest
5 license plate program pursuant to this article and receives funds
6 from the additional fees collected from the sale of special license
7 plates shall not expend annually more than 25 percent of those
8 funds on administrative costs, marketing, or other promotional
9 activities associated with encouraging application for, or renewal
10 of, the special license plates.

11 (h) (1) Every person authorized under this article to offer
12 special interest license plates shall prepare and submit an annual
13 accounting report to the department by June 30. The report shall
14 include an accounting of all revenues and expenditures
15 associated with the special interest license plate program.

16 (2) If a person submits a report pursuant to paragraph (1)
17 indicating that the person violated the expenditure restriction set
18 forth in subdivision (g), the department shall immediately cease
19 depositing fees in the fund created by the Controller for that
20 person under paragraph (2) of subdivision (e) and, instead, shall
21 deposit those fees that would have otherwise been deposited in
22 that fund in a separate fund created by the Controller, which fund
23 is subject to appropriation by the Legislature. The department
24 shall immediately notify the person of this course of action. The
25 depositing of funds in the account established pursuant to this
26 paragraph shall continue until the person demonstrates to the
27 satisfaction of the department that the person is in compliance or
28 will comply with the requirements of subdivision (g). If one year
29 from the date that the person receives the notice described in this
30 paragraph, the person is still unable to satisfactorily demonstrate
31 to the department that it is in compliance or will comply with the
32 requirements of subdivision (g), the department shall no longer
33 issue or replace those special interest license plates associated
34 with that person. Those particular special interest license plates
35 that were issued prior to the discontinuation provided by this
36 paragraph may continue to be used and attached to the vehicle for
37 which they were issued and may be renewed, retained, or
38 transferred pursuant to this code.

39 (3) Upon receiving the reports required under paragraph (1),
40 the department shall prepare and transmit an annual consolidated

1 ~~report to the Legislature containing the revenue and expenditure~~
2 ~~data.~~

3 SEC. 4. Article 8.6 (commencing with Section 5151) is added
4 to Chapter 1 of Division 1 of the Vehicle Code, to read:

5
6 Article 8.6. ~~Special Interest~~ *Specialized License Plates*
7

8 5151. It is the intent of the Legislature that this article contain
9 the authority for specialized license plates for state agencies.

10 5152. *A person described in Section 5101 may apply for a*
11 *specialized license plate under this article, in lieu of regular*
12 *license plates.*

13 ~~5152.—~~

14 5154. Specialized license plates issued under a program
15 provided for in this article shall comply with the following:

16 (a) The license plates shall have a design or contain a message
17 that publicizes or promotes a state agency or the official policy,
18 mission, or work of a state agency *that is expressly authorized*
19 *under this article to participate in a specialized license plate*
20 *program.*

21 (b) All fees received from the sale of the specialized license
22 plates that are in excess of the regular fees for the original
23 issuance of the license plates, renewal of registration with plates,
24 transfer of license plates to another vehicle, or substitute
25 replacement of the license plates shall be deposited in an account
26 or fund provided for in this article, and the allocation of those
27 funds shall be subject to appropriation by the Legislature.

28 (c) As used in subdivision (a), “state agency” means every
29 state office, officer, department, division, bureau, board,
30 commission, or other state body or agency.

31 5155. *The design criteria for a specialized license plate are*
32 *as follows:*

33 (a) *The license plate for a passenger vehicle, commercial*
34 *vehicle, or trailer shall provide a space not larger than two*
35 *inches by three inches to the left of the numerical series and a*
36 *space not larger than five-eighths of an inch in height below the*
37 *numerical series for a distinctive design, decal, or descriptive*
38 *message as authorized by this article. The license plates shall be*
39 *issued in sequential numerical order or, pursuant to Section*
40 *5103, in a combination of numbers or letters.*

(b) Specialized license plates authorized under this article may be issued for use on a motorcycle. That license plate shall contain a five-digit configuration issued in sequential numerical order or, pursuant to Section 5103, in a combination of numbers or letters. There shall be a space to the left of the numerical series for a distinctive design or decal and the characters shall contrast sharply with the uniform background color. A motorcycle plate containing a full plate graphic design is not authorized.

5156. (a) (1) A state agency may not be included in the program until not less than 7,500 applications for the particular specialized license plates are received. A state agency shall collect and hold applications for the plates. Once the state agency has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue a specialized license plate until a state agency has received and submitted to the department not less than 7,500 applications for that particular specialized license plate within the time period prescribed in this section. Advance payment to the department by the state agency representing the department's estimated or actual administrative costs associated with the issuance of a particular specialized license plate shall not constitute compliance with this requirement. The state agency shall have 12 months, following the effective date of the enactment of the specific legislation enabling that agency to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, that agency shall immediately do either of the following:

(A) Refund to all applicants all fees or deposits that have been collected.

(B) Contact the department to indicate the state agency's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If a state agency elects to exercise the option under this subparagraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that

1 the agency has received 7,500 applications. The state agency
2 shall refund the fees or deposits to an applicant so requesting. In
3 no event shall a state agency collect and hold applications for a
4 period exceeding 24 months following the date of authorization
5 as described in paragraph (2) of subdivision (a).

6 (C) Sequential plate fees shall be paid for the original
7 issuance, renewal, retention, replacement, or transfer of the
8 specialized license plate as determined by the state agency and
9 authorized by the department's regulations. Those license plates
10 containing a personalized message are subject to the fees
11 required pursuant to Sections 5106 and 5108 in addition to any
12 fees required by the specialized license plate program.

13 (2) (A) If the number of outstanding and valid specialized
14 license plates in any particular program provided for in this
15 article is less than 7,500, the department shall notify the
16 sponsoring state agency of that fact and shall inform that agency
17 that if that number is less than 7,500 one year from the date of
18 that notification, the department will no longer issue or replace
19 those specialized license plates.

20 (B) Those particular specialized license plates that were
21 issued prior to the discontinuation provided by subparagraph (A)
22 may continue to be used and attached to the vehicle for which
23 they were issued and may be renewed, retained, or transferred
24 pursuant to this code.

25 (b) A state agency may designate a public or a nonprofit
26 agency to undertake the functions and duties of the state agency
27 under subdivision (a).

28 5157. (a) The department shall deduct its costs to develop
29 and administer the specialized license plate program from the
30 revenues collected for the plates.

31 (b) The department shall deposit the remaining revenues from
32 the original issuance, renewal, retention, replacement, or
33 transfer of the specialized license plate in a fund that is
34 established by the Controller or provided by statute.

35 5158. When payment of renewal fees is not required as
36 specified in Section 4000, or when a person determines to retain
37 the specialized license plate upon a sale, trade, or other release
38 of the vehicle upon which the plate has been displayed, the
39 person shall notify the department and the person may retain and
40 use the plate as authorized by department regulations.

1 5159. *A state agency that is eligible to participate in a*
2 *specialized license plate program pursuant to this article and*
3 *receives funds from the additional fees collected from the sale of*
4 *specialized plates shall not expend annually more than 25*
5 *percent of those funds on administrative costs, marketing, or*
6 *other promotional activities associated with encouraging*
7 *application for, or renewal of, the specialized plates.*

8 5160. (a) *A state agency authorized under this article to offer*
9 *specialized license plates shall prepare and submit an annual*
10 *accounting report to the department by June 30. The report shall*
11 *include an accounting of all revenues and expenditures*
12 *associated with the specialized license plate program.*

13 (b) *If a state agency submits a report pursuant to subdivision*
14 *(a) indicating that the agency violated the expenditure restriction*
15 *set forth in Section 5159, the department shall immediately cease*
16 *depositing fees in the fund created by the Controller for that*
17 *under subdivision (b) of Section 5157 or as created by statute*
18 *and, instead, shall deposit those fees that would have otherwise*
19 *been deposited in that fund in a separate fund created by the*
20 *Controller, which fund is subject to appropriation by the*
21 *Legislature. The department shall immediately notify the state*
22 *agency of this course of action. The depositing of funds in the*
23 *account established pursuant to this paragraph shall continue*
24 *until the agency demonstrates to the satisfaction of the*
25 *department that the agency is in compliance or will comply with*
26 *the requirements of Section 5159. If one year from the date that*
27 *the state agency receives the notice described in this paragraph,*
28 *the agency is still unable to satisfactorily demonstrate to the*
29 *department that it is in compliance or will comply with the*
30 *requirements of Section 5159, the department shall no longer*
31 *issue or replace those specialized license plates associated with*
32 *that agency. Those particular specialized license plates that were*
33 *issued prior to the discontinuation provided by this subdivision*
34 *may continue to be used and attached to the vehicle for which*
35 *they were issued and may be renewed, retained, or transferred*
36 *pursuant to this code.*

37 (c) *Upon receiving the reports required under subdivision (a),*
38 *the department shall prepare and transmit an annual*
39 *consolidated report to the Legislature containing the revenue*
40 *and expenditure data.*

1 5171. (a) The department, in consultation with the Sierra
2 Nevada Conservancy, shall design and make available for
3 issuance under this article special environmental design license
4 plates as described in this section. ~~The special environmental~~
5 ~~design license plates issued under this section are subject to the~~
6 ~~initial qualifying and continuing application, accounting, and~~
7 ~~reporting requirements of Section 5060. Notwithstanding~~
8 ~~subdivision (e) of Section 5060, the special environmental design~~
9 *The special environmental design* license plates shall bear a
10 design depicting a significant feature of the Sierra Nevada
11 Region. A person described in Section 5101 may, upon payment
12 of the additional fees set forth in subdivision (b), apply for and be
13 issued a set of special environmental design license plates.
14 ~~Notwithstanding subdivision (a) of Section 5060, the~~ *The* special
15 environmental design license plates may be issued as
16 environmental license plates, as defined in Section 5103.

17 (b) In addition to the regular fees for an original registration or
18 renewal of registration, the following additional fees shall be
19 paid for the issuance, renewal, or transfer of the special
20 environmental design license plates authorized pursuant to this
21 section:

- 22 (1) For the original issuance of the plates, fifty dollars (\$50).
23 (2) For a renewal of registration with the plates, forty dollars
24 (\$40).
25 (3) For transfer of the plates to another vehicle, fifteen dollars
26 (\$15).
27 (4) For each substitute replacement plate, thirty-five dollars
28 (\$35).
29 (5) In addition, for the issuance of environmental license
30 plates, as defined in Section 5103, with a design described in
31 subdivision (a), the additional fees prescribed in Sections 5106
32 and 5108. The additional fees prescribed in Sections 5106 and
33 5108 shall be deposited in the California Environmental License
34 Plate Fund.

35 (c) Except as provided in paragraph (5) of subdivision (b), and
36 after deducting its administrative costs under this section, the
37 department shall deposit the additional revenue derived from the
38 issuance, renewal, transfer, and substitution of special
39 environmental design license plates issued under this section in
40 the Sierra Nevada Conservancy Account, which is hereby created

1 in the California Environmental License Plate Fund. Upon
2 appropriation by the Legislature, the money in the account shall
3 be allocated by the Controller to the Sierra Nevada Conservancy
4 for expenditure consistent with the objectives of the Sierra
5 Nevada Conservancy.

6 (d) The Sierra Nevada Conservancy shall report to the
7 Legislature on or before June 30 of each year on its use and
8 expenditure of the money in the Sierra Nevada Conservancy
9 Account, beginning one year after the initial issuance of the
10 special interest license plates authorized by this section.

O